

Andy -

Here is my analysis of the distributions/purchase of Chewco's interest in Jedi. I am showing you the numbers Jeff gave you and I gave to you and will tell you why differences exist. I'll assume our payout #'s are correct per our conversation today.

	<u>Ent #s</u>	<u>Actual #s</u>
3 payout # Per Docs	69,901 (21mm)	69,901 (21mm)

THE CO DISTRIBUTIONS TO DATE:

1. TO FILL RESERVES			\$ 6,580,000
a. Debt Reserve	\$ 6,580,000		5,248,807
b. Yield Reserve	5,248,807		5,755,326
c. Working Capital Reserve	5,755,326 >		
2. Investment Income		-0-	*
a. On Debt Reserve	709,406	42,777	* *
b. On Yield Reserve	168,102		
c. On Working Capital Reserve	227,503	113,400	* * *
3. OTHER DISTRIBUTIONS		17,700,000	
a. Year end 1999	17,500,000	17,700,000	
b. Fee for Amend	400,000	15,000,000	* * *
Total	36,529,144	400,000	
		33,140,310	
		35,840,310	

* Jeff has assumed 5% interest for 2.25 yrs on \$6,580,000 balance. This money was held in a collateral account by BZW and did not bear any interest. Both Bill and Ben knew this at closing.

** Jeff has assumed 5% interest for 2.25 yrs on total balance. These reserves did not fill up until 1st Qtr 99 (w/2nd Restructure). And BZW Only Paid 1.8% interest p.a.

*** I have no idea what the assumption for working capital reserve is. There was a \$1,25m balance from Nov '98 → Nov '99, and the remainder was filled at year end '99 from proceeds of distribution (asterisk * * *). Was a draw on Chewco Revolver. Therefore Interest is ($\pm 4\%$) $[1,250,000 \times .04 - 50,000] + 3,755,000 \times .04 (2/12) \pm [1,250,000 \times .033345,755,000 \times .04 (2/12)] \pm 38,366.67$

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**** While the distribution to Chewco at year end - 2 - was \$17,500,000, \$2,500,000 of that amount was used to fill the working capital reserve to its \$5,755,326 level. I believe, and you can check with Shirley in case I'm wrong, that the numbers Jeff got doable counted this amount.

Andy - Also note that Jeff's analysis assumes that all cash was distributed to Chewco. The reserves were partially filled up by draws on the Chewco revolver not through Partnership Distribution (this is relevant because it impacts the initial claim number). See #s

	36,529,444	33,140,310
Cash "Distributions" to Chewco	(11,344,862)	(11,364,862)
\$ Needed to Pay BZW Principal	(1,527,637)	+ no <1,995,501> (L+250)
\$ to Pay BZW Interest	23,636,645	19,779,947
		<10,500,000>

From here, I don't know what the proposal is you'd like to put forward. In both cases \$15,000,000 of the remaining cash, whether 23,636,645 or 19,779,947 has been used to purchase the Osprey certificates. So if you net that out residual cash is either \$8,636,645 or \$4,779,947 depending on whose #s we use.

Presumably, Chewco could either:

- ① Sign a note for the difference between the #s above, less \$10,500,000 (so the note would be either \$13,136,645 or \$9,279,947) repayable thru the proceeds of the payout on the Osprey Notes (I could pay a Libor plus cash interest on it) OR,

- ② Pay \$4,779,947 upon closing and sign a note payable in the same manner as #1 above for the difference either \$13,136,645 or \$9,279,947

$$\begin{array}{r} <4,779,947> \\ \hline 8,356,698 \end{array}$$

$$\begin{array}{r} <4,779,947> \\ \hline 4,500,000 \end{array}$$

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In all these scenarios my assumption - is -
is that Enel's purchase for \$10.5mm means
that they / Jedi assumes the remainder of the
Chewco Revolver (~\$36mm) to pay out from the
liquidation of portfolio assets. FYI, Jedi currently
has \$20+ mm of cash of which \$15MM (at least) is
freely distributable to the Partners. If we had distributed this
50% would go to Chewco and it could reduce its revolver
by a minimum of \$7.5MM.

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